



THE ATTORNEY GENERAL
OF TEXAS

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AUSTIN, TEXAS 78711
November 18, 1969

Hon. Joe Resweber
County Attorney
Harris County Courthouse
Houston, Texas

Opinion No. M-510

Re: Authority of Harris County
Hospital District to exe-
cute a lease contract
obligating future revenues.

Dear Sir:

In your request for an opinion you state the
following:

"The Harris County Hospital District was
created under the provisions of Article 4494n,
Vernon's Civil Statutes. Attorney General's
Opinion No. M-223 (1968). The administrator of
such District has requested an opinion regard-
ing the legality of entering a leasing contract
for a complete X-Ray equipment system for the
District's hospitals.

"Among the terms set out in the attached
lease conditions accompanying the opinion
request was the following provision:

'LEASE PERIOD: The initial lease
contract period shall be 60 months,
with option to renew for 24 months....'

"It is contemplated that the contract rental
will be paid either monthly or yearly. The
fiscal or budget year of the Hospital District
runs from April 1 to March 31 each year. Thus
the contract in question, having a contract
period of five years, would naturally require
the Board of Managers of the Hospital
District to obligate revenues of the District
beyond those for the current fiscal or
budget year.

"The question which we present, therefore, for your consideration and answer, is:

"May the Board of Managers of the Harris County Hospital District legally enter into a lease contract for an X-Ray Equipment system for a period of five years and thereby obligate future revenues of the Hospital District, i.e., revenues beyond those for the current fiscal or budget year?"

The Harris County Hospital District was created under the provisions of Article 4494n, Vernon's Civil Statutes. In Section 5b(a) of the statute, the Board of Managers of the Hospital District, with the approval of the Commissioners' Court, is given the power to lease equipment and all other facilities and services the Hospital District may require.

Article IX, Section 4, Constitution of Texas, which authorizes the creation of County Hospital Districts, expressly provides that the obligations of such districts shall never become a charge against the state of Texas and, therefore, the provisions of Section 49 of Article III, Constitution of Texas, regarding the debts of the State are not applicable. Furthermore, the provisions of Section 7 of Article XI of the Constitution relative to the debt of cities and counties do not apply, since a County Hospital District is a political subdivision of the State which is a different governmental body from that of a city or county. Bexar County Hospital District v. Crosby, 327, S.W.2d 445 (Tex.Sup. 1959); Attorney General Opinion No. MW-886 (1960). In your memorandum brief you state that in the lease contract the Hospital District will include a provision that such lease agreement is made contingent upon the availability of funds to be appropriated by the Board of Managers each fiscal or budget year of the contract period. In view of the foregoing, it is our opinion that the Hospital District may legally enter into such five year contract.

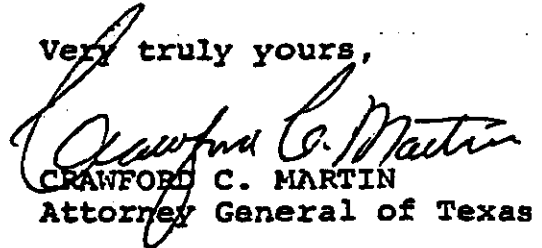
S U M M A R Y

The Board of Managers of Harris County Hospital District may legally enter into a lease contract for an X-Ray equipment system for a period of five years

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if such lease agreement is made contingent upon the availability of funds to be appropriated by the Board of Managers each fiscal or budget year of such five year period.

Very truly yours,


CRAWFORD C. MARTIN
Attorney General of Texas

Prepared by Jack Sparks
Assistant Attorney General

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